

TOWN OF LOS ALTOS HILLS
Staff Report to the City Council

October 20, 2022

SUBJECT: INTRODUCTION OF AN ORDINANCE OF THE TOWN OF LOS ALTOS HILLS AMENDING CHAPTER 1.10 (GREEN BUILDING STANDARDS CODE) OF TITLE 8 (BUILDING REGULATIONS) OF THE LOS ALTOS HILLS MUNICIPAL CODE AND ADOPT BY REFERENCE REGULATIONS THAT REQUIRE THE ELECTRIFICATION OF NEW RESIDENTIAL BUILDINGS BASED ON SPECIAL LOCAL CONDITIONS AND ADOPT REGULATIONS TO REQUIRE EV READY CONSTRUCTION FOR NEW RESIDENTIAL BUILDINGS AND ESTABLISH ELECTRIC VEHICLE PERMIT STREAMLINING PROCESS AND TIMELINES

FROM: Sofia Mangalam, Planning Director *S.M.*

APPROVED: Peter Pirnejad, City Manager *P.P.*

RECOMMENDATION: That the City Council:

Waive reading and introduce the Ordinance (Attachment 1) to amend Chapter 1.10 (Green Building Standards Code) of Title 8 of the Los Altos Hills Municipal Code and adopt by reference local amendments that require the electrification of new residential buildings and require EV ready construction for new residential buildings based on special local conditions. Additionally, adopt a new Chapter 11 of Title 8 to establish electric vehicle permit streamlining processes and timelines.

BACKGROUND

While the State of California updates the building code every three (3) years, and all jurisdictions must adopt this code at a minimum, cities and counties may also choose to adopt local building codes that “reach” above and beyond the State minimum. A local jurisdiction can choose to adopt a reach code in order to achieve additional health, safety, and environmental benefits such as increased energy and emissions savings.

Reach Codes are amendments to the Energy and/or Green Building Standards Codes to reduce greenhouse gas emissions (GHGs). Adopting Reach Codes create opportunities for local governments to lead initiatives on climate change solutions, clean air, and renewable energy. Reach Codes establish higher standards for new construction to provide environmental and health benefits to the community.

In the last cycle of updates, on January 16, 2020, the City Council voted 4-1 to introduce an ordinance to amend the Town’s Building Code regulations to include “reach code” amendments to the 2019 California Energy Code requiring all-electric space and water heating systems in new residential buildings. Gas fueled cooking appliances, clothes dryers and fireplaces are permitted,

but pre-wiring for these appliances is required (see Attachment 2). The next code cycle will be effective January 1, 2023, and it is time for the Town to adopt Reach Codes to the California Energy Code (Title 24, Part 6) and the California Green Building Standards (Title 24, part 11) codes in 2022. Even if the Town has no updates to its Reach Code, we must readopt existing Reach Codes so that they are not voided.

In addition, Assembly Bill (AB) 1236 and AB 970 have established that local jurisdictions must adopt an ordinance establishing electrical vehicle charging station (EVCS) permit streamlining process and timelines.

NOTICE/PUBLIC OUTREACH

The public was advised of this Public Hearing in the following ways:

- Newspaper notice – October 8, 2022
- Public Posting Places – October 7, 2022
- Town Website: www.losaltoshills.ca.gov – October 14, 2022

DISCUSSION

The California Energy Commission (CEC) is the State's primary energy policy and planning agency with a mission to lead the State to a 100 percent clean energy future. The CEC develops policies to reduce energy usage and costs, limit the environmental impacts of energy generation and use, and ensure a safe, resilient, and reliable supply of energy. Cities and counties can adopt reach codes that set conditions above the minimum state code requirements. However, these reach codes must be filed with the California Building Standards Commission.

As California's energy policy agency, the CEC was mandated by the Warren Alquist Act to periodically update and adopt building standards to increase the energy efficiency of buildings and reduce GHGs. Part 6 of Title 24 implemented this mandate so that every three years, the CEC presents Building Energy Efficiency Standards (Energy Code) updates for new construction and renovations to existing buildings. After the CEC adopts these standards, they are submitted to the California Building Standards Commission for approval and inclusion with other changes to the building code. If local amendments require energy efficiency or conservation measures, such as higher performance envelope or battery storage, the California Energy Commission (CEC) requires that the amendments be supported by a cost-effectiveness study and filed as amendments to the Energy Code (Title 24, Part 6). A cost-effectiveness study and filing with the CEC is not required for amendments that do not require efficiency or conservation, such as only requiring electrification, and the amendments can be made to the Green Building Standards Code (Title 24, Part 11, also known as CALGreen).

The proposed 2022 Green Building Standards Code Updates focuses on four (4) key areas in the new construction of homes and businesses:

- Encouraging electric heat pump technology and use

- Establishing electric-ready requirements when natural gas is installed
- Expanding solar photovoltaic (PV) system and battery storage standard
- Strengthening ventilation standards to improve indoor air quality

How does the 2022 Energy Code affect new homes?

- Establishes energy budgets based on efficient heat pumps for space or water heating to encourage builders to install heat pumps over gas-fueled HVAC units.
- Requires homes to be electric-ready, with dedicated 240-volt outlets and space (with plumbing for water heaters) so electric appliances can eventually replace installed gas appliances.
- Increases minimum kitchen ventilation requirements so that fans over cooktops have higher airflow or capture efficiency to better exhaust pollution from gas cooking and improve indoor air quality.
- Allows exceptions to existing solar PV standards when roof area is not available (such as for smaller homes).
- The 2022 California Green Building Code update (Title 24, Part 11) increased requirements for electric vehicle charging infrastructure in new construction; including:
 - New one- and two-family dwellings and townhouses with attached private garages: must be Level 2 EV-capable

As stated earlier, cities and counties may choose to adopt local building codes that “reach” above and beyond the State minimums. The Reach Code options were discussed at the September 15, 2022 City Council meeting.

September 15, 2022, Staff memo to City Council

On September 15, 2022, staff presented a memo (see Attachment 3) to the City Council regarding potential future council action, including:

1. Readopt the existing Reach Codes
2. Readopt the existing Reach codes with a few additions-
 - ‘New Construction’ all electrification with exceptions for cooktop and outdoors.
 - EV ready
3. Add ‘Substantial Remodel and Additions’ per EIC’s recommendations
4. Electrify all remodels and additions.

At the meeting, Councilmember Mok, under Council initiated items, discussed recommendations from the Environmental Initiatives Committee (EIC) regarding Reach Codes. The discussion included addition of laundry and ovens to “must electrify” list and requiring all New Construction Group R-3 units to be Level 2 EV ready for one parking space per dwelling unit (the new building code requires to be EV capable). Staff noted that this implies that ‘New Construction’ will be all electric with exceptions for cooktops and outdoor gas fired appliances. Furthermore, all new residents shall be EV ready.

It was also discussed that EIC recommended addressing “Substantial Remodels and Additions” in “New Construction.” However, it was noted that this significant change will require community meetings and so on before adopting more aggressive Reach Codes, thus, this could be part of Town’s 2023 goal settings.

Finally, City Council directed staff to proceed with the Ordinance to include all electrification and EV ready for new construction with the exception of cooktop and outdoors (see meeting minutes, Agenda item #4A).

EVCS Permit Streamlining Process and Timelines

Earlier this year in May, a representative from California Energy Commission reached out to staff noting that Town of Los Altos Hills has not yet implemented the provisions of AB 1236. It also noted that Cities and counties with a population of less than 200,000 residents are required to adopt an ordinance codifying the AB 1236 and AB 970 by January 1, 2023.

AB 1236 codified in Government Code Section 65850.7, requires all California cities and counties to develop an expedited, streamlined permitting process for EVCS. AB 970, codified in Government Code Section 65850.71, adds specific binding timelines to that review period based on the size of the project and clarifies parking requirements.

PROPOSED ORDINANCE

The proposed ordinance (Attachment 1) modifies language in sections of the Green Building Standards Code related to low-rise residential buildings and adopts language from a Green Building Code Appendix chapter requiring all new residential buildings be all-electric and EV Ready. No code changes are proposed for non-residential buildings since this is not applicable to Los Altos Hills.

The ordinance language contains the following:

- Outlines the sections in the Green Building Standards Code that are applicable to the new regulations.
- **Requires that new residential buildings be all electric except for indoor and outdoor cooking, fireplaces and pool/spa heaters.**
- **Requires that all new residential building (one and two-family and townhouses) be EV Ready.**
- **Adopts permit process and timeline requirements for electric vehicle charging stations.**

The draft ordinance language was developed by staff using model reach code language developed by Silicon Valley Clean Energy (SVCE). The regulations require that all new residential buildings be all electric with the exception of indoor and outdoor cooking, fireplaces and pool/spa heaters.

It is widely known that availability of EV charging infrastructure is a critical component to EV adoption. Meanwhile, it is significantly more expensive to install charging infrastructure as a retrofit than it is during new construction. As such, ensuring that newly constructed residential parking has ample EV charging capability will reduce long-term retrofit costs of EV infrastructure installation, while helping to increase EV adoption and decrease transportation-related greenhouse gas emissions.

The proposed ordinance additionally requires that all new low-rise residential buildings be EV Ready. These regulations require that new low-rise residential buildings including single family homes be provided with a full 40-amp circuit clearly identified as “EV Ready” i.e. being used for EV charging stations. The language for EV Ready requirements is adopted from 2022 California Green Building Standards Code Appendix Chapter A4.

Finally, the draft ordinance establishes a streamlining process and timelines for EV charging station permits in accordance with AB1236 and AB 970.

ENVIRONMENTAL REVIEW

The proposed ordinance amendments are exempt from California Environmental Quality Act (CEQA) pursuant to "general exemptions" described in Section 15061(b)(3) of the CEQA Guidelines, since the ordinance amendments would not have any significant effects on the environment.

FISCAL IMPACT

Although there is no fiscal impact to the Town associated with adoption of the reach codes, the cost of construction would increase with the implementation of these energy code amendments.

ATTACHMENTS

1. Draft Ordinance
2. Ordinance 589 (2019 Energy Code)
3. Memo to City Council, September 15, 2022